

Scott B. Spencer  
Attorney-at-Law

► May 30, 2001

Matthew Cohn  
United States Environmental Protection Agency  
999 18<sup>th</sup> Street - Suite 300  
Denver, CO 80202-2466

Re: City of Libby Clean-up

Dear Mr. Cohn

I am writing to you on behalf of the city of Libby and in response to your letter concerning the clean-up and restoration at the former Export plant in Libby, MT. This letter sets forth the position that the city of Libby believes is appropriate for the resolution of this matter.

The city of Libby is willing to work to resolve this matter under the authority granted to the EPA under the Comprehensive Environmental Response, Compensation, and Liability Act. As such the city of Libby takes the following position as to the questions you have posed.

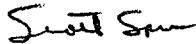
1. All buildings on the Export plant property should be demolished and the site completely cleaned of all materials containing asbestos. The previous clean-up efforts on the buildings has been unsuccessful, and the city of Libby has no faith that cleaning the buildings will ever be successful. The quality of the buildings was marginal before the original clean-up, and the buildings were less safe after the cleaning. The city of Libby believes that further attempts at cleaning the buildings will only make the buildings even less safe than they already are. The buildings do not meet building or fire code. Even if the buildings are successfully re-cleaned, the buildings will be unusable and will have to be removed. The issue of returning Millwork West to the property site will still have to be resolved. The money that would be expended to clean the buildings could be better spent on removing the existing buildings, cleaning up the area, and constructing new buildings that will meet the needs of Millwork West.
2. The city of Libby had previously drafted plans for the removal of the old buildings and the construction of new buildings that would be sufficient to meet the needs of Millwork West.

Matthew Cohn  
Page 2  
May 30, 2001

The city of Libby has previously met with Mel Burnett and Paul Peronard to discuss the return of Millwork West to the city property. The specific requests that the city of Libby is making has been sent to Mr. Peronard for his review and determination as to whether the requests are reasonable under the statutes referred to above. The city of Libby will provide the proposal after it hears back from Mr. Peronard. The city of Libby recognizes the WR Grace will have to be involved in the city's proposal and has the right to intersperse its objections. The substance of the city's proposal is that WR Grace should construct sufficient buildings to replace the buildings that have to be removed. These buildings will have to meet fire code, which will require the construction of a water main under the railroad tracks. The proposal is similar to one discussed previously by the parties.

The city of Libby looks forward to participating in this process and to getting this matter resolved so that every one can devote their time to other issues.

Sincerely yours,



Scott B. Spencer  
Attorney at Law

SMS/sbs